

ICL CODE OF ETHICS



Creating a Better World

FROM THE PRESIDENT & CEO

Dear ICL Employees, Managers and Directors,

I am pleased to present you with the revised version of ICL's Code of Ethics. In this document you will find the core values that we have defined for our Company as well as guidelines for the ethical and appropriate conduct of ICL's management and employees.

ICL's corporate culture is based on fundamental values that include fairness in business, responsibility, excellence and constant improvement, respect towards others and embracing diversity, commitment to safety and to the wellbeing of the communities surrounding us, and commitment to the environment. Collectively, these values, together with our firm commitment to complying with all laws, regulations, compliance programs and procedures, will enable the sustainable growth and prosperity of the Company.

To provide a firm foundation for this culture and values, in 2005 ICL's Board of Directors adopted a Code of Ethics to define appropriate rules of conduct for the Company. As a 'living' document, we continually seek to improve our Code to ensure that it remains relevant. Accordingly, in the last few months ICL's Board of Directors reviewed and revised our Code of Ethics in order to make sure it addresses the issues that we face on a day-to-day basis in the conduct of our business.

A Code of Ethics is beneficial only if it is used. To that end, we strive to integrate and implement the values and principals outlined in it on an ongoing basis through guidance, training sessions, published materials, integration with other corporate activities and audit mechanisms. In addition, in some of the countries where we operate, we have established ethics committees, mandated with implementing the Code, by, among other things, defining internal procedures and discussing ethical dilemmas that are raised by employees.

Throughout our history, we have never wavered in our efforts to uphold and promote our core values. Every day, our management and employees are required to make decisions that have ethical implications. We trust that this updated Code will serve as an even more effective tool for helping us make correct decisions, conduct our business activities fairly, uphold the law and create mutual respect.

Sincerely,



Mr. Akiva Mozes
President & CEO



OUR VALUES

Fairness in Business: We are direct, honest, transparent and fair in all our business dealings.

Responsibility: We take full responsibility for our actions and performance, and for meeting our stakeholders' expectations.

Excellence and Constant Improvement: We always strive to be the best. We encourage everyone who works with us – our people, our clients, our suppliers, our business partners – to excel. We ensure that in the work we do, our processes and service delivery are of the highest quality. We are demanding of ourselves and of others, and remain open to constructive criticism and suggestions for improvement.

Respect towards Others: We treat everyone with courtesy and respect, value differing opinions, embrace diversity and give people the latitude to express themselves, care about people's well-being, and respect the need for life outside work.

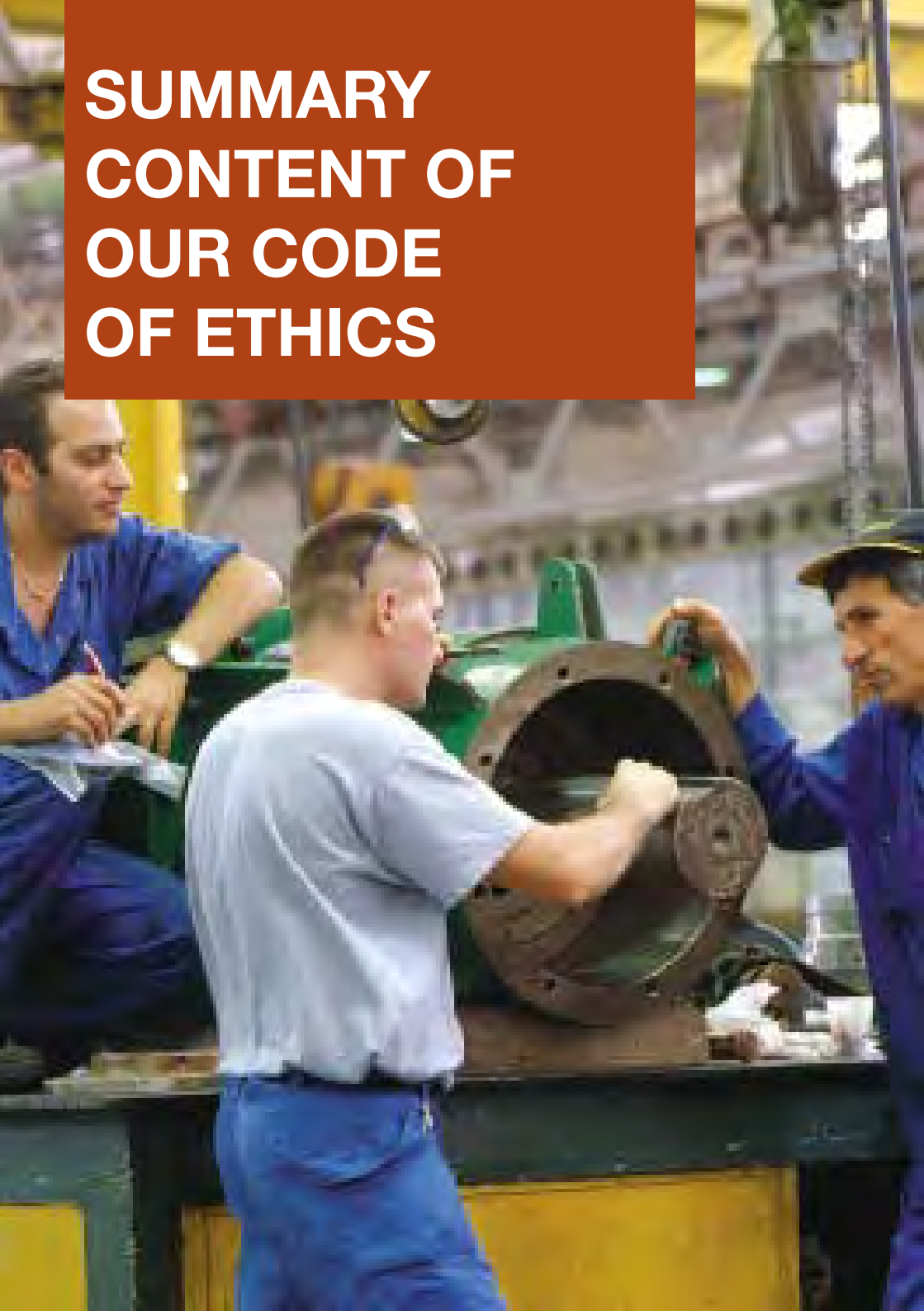
Commitment to Safety: ICL is committed to protecting the health and safety of all the people who play a part in our operations or live in the communities in which we operate. We will not be satisfied until we succeed in eliminating all injuries, occupational illnesses, and unsafe conditions.

Commitment to the Environment: Wherever we operate, we will conduct our business with respect and care for both the local and global environment, and systematically manage risks to drive sustainable business growth. We will not be satisfied until we succeed in eliminating incidents of environmental harm from our activities. . We seek to continuously improve the environmental performance of our products and our operations.

Obey the Law, Regulations, Professional Rules, Procedures and Compliance Programs

All employees, officers and directors of ICL are obligated to comply at all times and unconditionally with the requirements of all applicable laws, regulations, professional rules, ICL's procedures and compliance programs, applicable to their area of activity at ICL. No employee is ever required, as part of his or her duties to ICL, to violate any legal requirements or professional rules applicable to him or her. Remember – obeying the law and the Code of Ethics always serves the interests of ICL and its employees in the most favorable manner.

SUMMARY CONTENT OF OUR CODE OF ETHICS



ICL and its employees

- Employment rights
- Health and safety in the work environment
- Prevention of discrimination and harassment
- Respect towards each other
- Employee privacy
- Working in accordance with the compliance programs and procedures
- Avoiding conflicts of interest

Proper use and preservation of Company property

- Protecting the property of ICL
- Protecting ICL's confidentiality

Conducting business with honesty and integrity

- ICL and its customers, suppliers and business partners
- Contractor employees
- Competing in the business arena
- Reporting and dealing with governmental authorities
- Bribery and Corruption

Commitment to protecting the environment

Commitment to the communities where we operate

ICL AND ITS EMPLOYEES



ICL's success is attributed to the skills, diligence and dedication of its employees. We value our people as ICL's most important asset.

EMPLOYMENT RIGHTS

A fundamental condition for ICL's continued growth, development and advancement is the respect and honour of the rights of our employees.

HEALTH AND SAFETY IN THE WORK ENVIRONMENT

A person's life and health are of prime value and we are unconditionally committed to this principle. ICL is committed to provide a safe and healthy work environment for its employees. In no circumstance do we compromise with regard to matters of safety.

We must perform our job functions cautiously, because nothing justifies placing the lives of our employees at risk. Violations of safety procedures endanger all of us.

ICL is committed to provide a safe and healthy work environment for all the people who play a part in our operations. In no circumstance do we compromise with regard to matters of safety.

PREVENTION OF DISCRIMINATION AND HARASSMENT

We are committed to respecting and protecting legally established human rights wherever we operate.

Discrimination or harassment in any form will not be tolerated. Not only is it prohibited by law, but it contradicts the type of work environment that we at ICL strive to create.

Therefore, we, the employees, officers and directors at ICL will have no tolerance for any discrimination and harassment in any form, through actions or words, under any circumstances.

Furthermore, ICL supports the provision of equal opportunities to all its employees and candidates for employment, with no distinction or discrimination.

Therefore we, the employees, officers and directors at ICL will refrain from, and oppose discrimination of any kind, against any person, including, among others, on the basis of religion, race, ethnic origin, nationality, sex, sexual orientation, age, gender reassignment or disability.

ICL supports the provision of equal opportunities to all its employees and candidates for employment, with no distinction or discrimination.

Bringing the Code to Life...

Q: One of the contractors we work with has invited me to a party which he is holding. Should I attend?

A: With respect to gifts and personal favours such as the described event, you must comply with company policy on the matter. If you have any doubts, consult with your direct manager, a member of the Personnel Department, the Compliance Officer or the Ethics Committee, if one exists in your organization.

Bringing the Code to Life...

Q: There is an employee in our team, who suffers from a speech disorder, and sounds funny when he talks. Some of the people in the team tease him and make fun of him. I don't want to start a fight with them, but I feel bad for him. What should I do?

A: Our Code of Ethics states: *"We, the employees, officers and directors at ICL will have no tolerance for any discrimination and harassment in any form, through actions or words, under any circumstances."* Therefore, you must not stand by, when such harassment is going on. If possible, do what you can to protect the new employee and be sure to report the incident to your direct manager, a member of the Personnel Department, the Compliance Officer or the Ethics Committee, if one exists in your organization.

RESPECT TOWARDS EACH OTHER

We, ICL's employees and officers will respect our fellow employees, and will treat each other with courtesy and fairness.

EMPLOYEE PRIVACY

We respect the privacy of our employees and therefore do not disclose to any unauthorized party any information that is likely to infringe upon any other person's privacy.

WORKING IN ACCORDANCE WITH ICL'S COMPLIANCE PROGRAMS AND PROCEDURES

ICL has a number of internal compliance programs. These programs are intended to clarify legal provisions and procedures and to establish a mechanism to ensure their observance. Following these programs and procedures is not only required as part of our employment with ICL, but it is the basis for our continued organizational excellence and long-term sustainability, growth and advancement.

AVOIDING CONFLICTS OF INTEREST

We must avoid conflicts of interests between our role in ICL and our personal interests, including the following:

- We will not request, accept, offer or provide any gift, personal benefit or favour from or to customers, suppliers, vendors or any other party having any connection to ICL, except as provided in the relevant Company procedure.
- We refrain from providing any personal favour to an employee, officer or director of the Company, or to their relatives, except for personal gifts of a reasonable and normal scale in honour of personal or family events, as provided in the relevant Company procedure.

Bringing the Code to Life...

Q: One of the contractors we work with has invited me to his son's wedding. Should I attend?

A: Personal relationships between our employees and the contractors they work with are a natural thing, which the company sees positively. However, in order to prevent the appearance of impropriety, you must comply with company policy, with respect to the gift you will bring to the event. If you have any doubts, consult with your direct manager, a member of the Personnel Department, the Compliance Officer or the Ethics Committee, if one exists in your organization.

- We do not take advantage for personal gain, any business opportunities that come to our attention in the framework of being an employee, officer or director of ICL.

Bringing the Code to Life...

Q: In the framework of my job at ICL, I have a relationship with suppliers of the company. Would it be O.K. for me to purchase products from them at the price they give ICL?

A: Our Code of Ethics states: *"We do not take advantage for personal gain, any business opportunities that come to our attention in the framework of being an employee, officer or director of ICL..."* If this offer is not provided by the supplier to all ICL employees and is not approved by ICL, it would be inappropriate for you to benefit from it.

In any event of a conflict of interests, actual or potential, the matter should be referred to your direct manager, a member of the Personnel Department, the Compliance Officer or the Ethics Committee, if one exists in your place of work for further instruction.

**PROPER USE AND
PRESERVATION
PROPER USE
OF COMPANY
PROPERTY**



We, employees, officers and directors of ICL act at all times in good faith and for the benefit of ICL.

PROTECTING THE PROPERTY OF ICL

ICL has physical property (such as buildings, equipment etc.) and intangible property (such as information, contracts, trade secrets, patents etc.). We must protect them for the benefit of ICL and its employees.

Our actions with respect to the Company's property should include, but should not be limited to, the following:

- We will always ensure that the property of ICL is used efficiently to advance the goals of the Company.
- We will use any reasonable means required to prevent theft, negligent handling or waste of Company property, and report any breach of security or improper activity to the appropriate person.
- We will not pursue any personal interests on the Company's premises, or while using ICL property, equipment or assets, unless approval has been received from Company management.

Bringing the Code to Life...

Q: I am a manager of a significant project of ICL which demands long hours at the office. I'm about to be married a month from now and there are still a lot of preparations needs to be done. Due to the fact that I have a leading part in the project I'm not able to ask for a day off for the arrangements. Can I use the telephone in my office during the working time for phone calls regarding the wedding?

A: Our Code of Ethics states: *"We will always ensure that the property of ICL is used efficiently to advance the goals of the Company"*. It is necessary to balance between the personal and special circumstances and the proper and reasonable use of ICL's property. It is important to consult with your superiors.

PROTECTING ICL'S CONFIDENTIALITY

In the modern and competitive business world, every piece of information with which we come in contact in the scope of our work may have great value to competitors, investors or to the general public. Protecting all information within the Company from leaking out, significantly and directly contributes to our success.

We must keep any information we encounter in the course of our responsibilities within ICL, which has not been publicly disclosed by the Company, in the highest confidence, and act in accordance with ICL's policies and procedures regarding this matter.

Protecting all information within the Company from leaking out, significantly and directly contributes to our success.



**CONDUCTING
BUSINESS WITH
HONESTY AND
INTEGRITY**



ICL and all its employees, officers and directors conduct business in a fair and honest manner.

ICL's reputation is based on the trust that our stakeholders (i.e., all the people and entities which affect the Company or are affected by it, including employees, customers, suppliers and business partners, competitors, governmental authorities, the communities in which we operate, the physical environment etc.) put in ICL.

Our conduct every day and each decision we make in the framework of our role at ICL can help build this trust or destroy it.

ICL AND ITS CUSTOMERS, SUPPLIERS AND BUSINESS PARTNERS

Our relationships with our customers, suppliers and business partners are a corner stone in our ability to operate and preserve our long-term success. We are committed to maintaining their trust in ICL and treat them with respect, honesty and integrity.

We honour our agreements and practice good faith and decency in our negotiations with all parties.

Our relationships with ICL's customers, suppliers and business partners are a corner stone in our ability to operate and preserve our long-term success.

Bringing the Code to Life...

Q: I am conducting negotiations with one of our suppliers and I am trying to lower the price he is asking for the product I need. He asked me what will be the total yearly amount I will buy from him, as he could discount his price accordingly. Will it be inappropriate to exaggerate and promise to buy more than I actually plan to buy, in order to receive the desired discount?

A: Our Code of Ethics states: *"We honour our agreements and practice good faith and decency in our negotiations with all parties"*. Exaggerating in the framework of negotiations in order to improve the terms of the deal is not acting in good faith and therefore is not acceptable.

CONTRACTOR EMPLOYEES

Contracted employees include leased employees and third-party employees whom the Company has engaged to carry out non-core services on its premises

We view the contractor employees and service providers that work alongside us as our long term partners, honour and uphold all the rights provided to them by law and treat them with respect, courtesy and fairness.

COMPETING IN THE BUSINESS ARENA

ICL values the importance of free market competition and complies with all legal requirements pertaining to fair competition. We do not slander or defame our competitors, their actions or their products. All relevant employees must be familiar with the relevant and applicable antitrust laws, as well as the Company's policy and procedures pertaining to this matter.

REPORTING AND DEALING WITH GOVERNMENTAL AUTHORITIES

ICL respects its relationships with governmental and official authorities, and complies with all the laws, regulations and standards applicable to its operations. We maintain accurate and reliable records, in appropriate detail to meet our legal and financial obligations and to manage our affairs.

BRIBERY AND CORRUPTION

ICL is committed to conducting its business based on quality and integrity.

We will not tolerate any kind of improper influence on decision makers, including but not limited to offers of bribery or any other illegal activity.

We will never offer, pay, solicit or accept bribes in any form – directly or indirectly.

COMMITMENT TO PROTECTING THE ENVIRONMENT

We at ICL are committed to preserving the environment, and preventing damage to natural resources. We make constant effort to reduce our negative impacts on the environment.

As a basis to this, we are committed to upholding the various rules of law, that direct ICL's activities and are intended to protect the public good and prevent environmental pollution and any legislation applicable to our operations.





COMMITMENT TO COMMUNITIES WHERE WE OPERATE

We see great value in maintaining an ongoing dialogue with the members of the communities in our areas of operation. We act constantly in order to minimize any damage or impairment to the quality of life of the members of the communities wherever we operate and actively invest in various projects and programs designed to improve their lives.

**HOW SHOULD
THE CODE OF
ETHICS BE USED?**

Principles

A green road sign with the word "Principles" written in white, set against a blue sky with white clouds. The sign is mounted on two wooden posts and has a reflective border.

In the various areas of the ICL's activity, there are statutes, regulations and legal standards that bind the Company's employees and management. In addition, ICL maintains internal guidelines, procedures and compliance programs, which contain many rules of conduct that instruct employees how to act in situations they encounter in the course of their work.

Obedying the law and all relevant procedures and regulations is the underlying basis, upon which we build our rules of ethical conduct, and is the fundamental expectation from ICL and each one of its employees. The Code of Ethics is not intended to replace these statutes, regulations, guidelines and procedures, nor does it cover every possible situation you might encounter. It is intended to reflect the principles and values that we wish to uphold, and to be a compass, designed to lead you in the right path.

Read the Code of Ethics carefully and discuss it with your fellow employees and your managers. It is meant to assist you in your decisions and daily activities during the course of your work.

If you have any doubt about the right course of action in a certain situation, if you encounter a circumstance where the procedures of the Code of Ethics or application thereof is unclear, or if you become concerned that an activity may be in violation of the Code of Ethics, do not hesitate to refer the problem to your superior or to the person responsible for compliance in the Company, who will either handle the matter according to procedure or refer the problem to the person authorised to address it.

Your enquiry will be handled quickly, soundly and with discretion. As long as your enquiry is made in good faith, you can be assured that your standing in the Company will not be harmed or damaged.



APPLICATION AND IMPLEMENTATION

INTERNAL APPLICATION

The ICL Group is a multi-national group operating in many countries. ICL and its employees respect the various cultures, laws and customs prevalent in the countries in which ICL operates. This Code of Ethics, with the applicable amendments and relevant adaptations to local laws, shall bind the Company, its officers and employees in every country in which ICL operates.

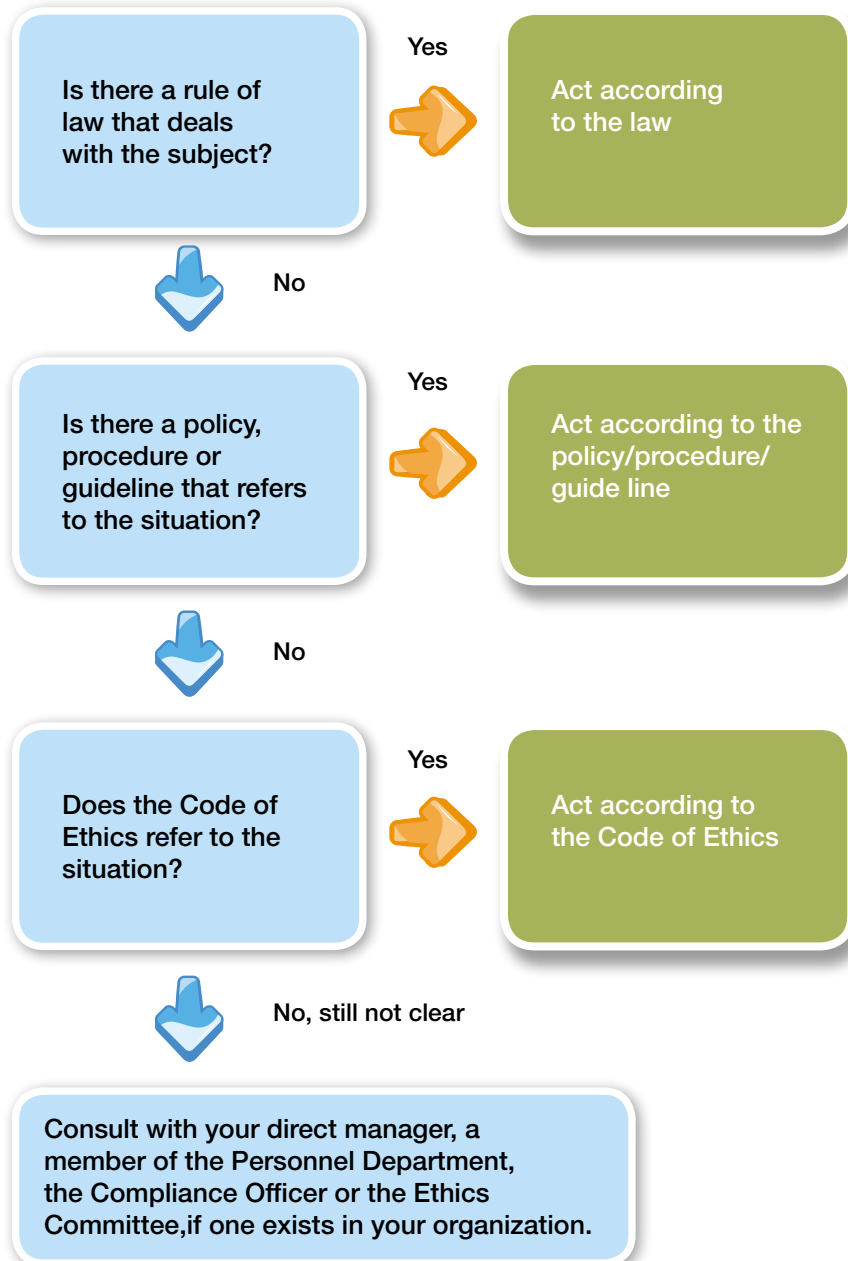
IMPLEMENTATION OF OUR CODE OF ETHICS

The Code of Ethics was adopted by the boards of directors and managements of ICL and its business divisions. It is part of the proper management culture of the Company. Each employee, officer and director of the Company must strive, to the best of their ability, in the scope of their authority and responsibilities, towards full implementation of the Code of Ethics of the Company at every level of the organisation.



WHAT HAPPENS IF...?

The following chart demonstrates the process that you should follow when you think you are confronted with an ethical dilemma:



'RULES OF THUMB FOR ETHICAL CONDUCT'

If you are unsure about the way in which you should act in the situation before you, remember that the primary rules of ethics can be summarised with three simple questions regarding the method of behaviour you may choose:

- If the circumstances were reversed, would you want to be treated, with regard to your rights or your property, in the same manner in which you are about to act with regard to others' rights, money or property ?
- If your manner of conduct would be publicized or disclosed to the public, would you and ICL be criticized for your actions?
- If the public would scrutinise your actions, and knowing all the facts, would your actions and the actions of ICL be deemed proper, honourable and reasonable?

In any circumstances of doubt or suspicion of non-compliance with the provisions of the Code of Ethics, notify your direct manager, a member of the Personnel Department, the Compliance Officer or the Ethics Committee, if one exists in your organization.





Headquarters

Millennium Tower

23 Aranha St., P.O.Box 20245

Tel Aviv 61202

Israel

Tel +972 (0)3 684 4400

Fax +972 (0)3 684 4444

E-mail: contact@icl-group.com

WWW.ICL-GROUP.COM